

EXECUTIVE CHAMBERS

HONOLULU

July 8, 2008

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2827

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval Senate Bill No. 2827 entitled "A Bill for an Act Relating to Public Contracts."

The purposes of Senate Bill No. 2827 are to: (1) require written notification to those persons who were considered for, but who were not awarded a professional services contract; (2) require written notification to all offerors who were not selected for award of a contract; (3) require additional information to be posted with the notice of award; and (4) extend the period in which to protest from five working days to seven working days.

Transparency and accountability in the manner in which the State procures goods and services has been one of the hallmarks of my Administration. This bill is objectionable because it would create confusion and subject the State to additional protests and delays in obtaining public goods and services.

First, the bill requires purchasing agencies who solicit bids of \$5,000 or more to notify all parties that they were not selected no later than the day the winning bid is posted. It is common knowledge that most bidders check the

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postings to see if they were selected. To require the State to notify all non-selected parties could result in some non-selected bidders claiming they were never officially notified, stopping the project award and forcing an investigation of the protest.

Second, my executive memorandum, dated January 20, 2006, and State Procurement Circulars already require information to be posted with the notice of award. This bill makes the new requirements effective immediately.

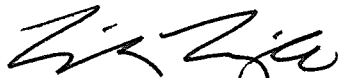
While there is general agreement that transparency in procurement is desirable, the lack of time provided to prepare for the implementation of these new requirements will create administrative difficulties and likely result in additional procurement challenges. In addition to the immediate administrative burdens on the State procurement office to complete new procurement forms, directives, and circulars, and modify its website, all being necessary to accommodate these new requirements, other agencies would not know how to proceed until these documents can be issued and the agencies could be trained by the State procurement office.

Further, changes to the statute are not necessary to increase the amount of information posted with the notice of award, and I have instructed the Director of the Department of Accounting and General Services to update our current procedures to maximize available posting data without compromising trade secrets or proprietary information.

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For the foregoing reasons, I am returning Senate Bill
No. 2827 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read 'Linda Lingle', written in a cursive style.

LINDA LINGLE
Governor of Hawaii